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Senate

(Legislative day of Thursday, March 13, 2008)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by the Honorable JIM WEBB, a Senator from the Commonwealth of Virginia.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, Sovereign Lord of all, help our Senators to remember today that they serve here by divine appointment and are accountable to You for their work. Give them wisdom as they wrestle with complex issues. Empower them with clarity in debate and courage to vote their convictions. Deliver them from any compromises that sacrifice principles, as You help them make just and compassionate decisions. Let Your grace guide their deliberations and Your blessings crown their labors for the glory of Your Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JIM WEBB led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 31, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable JIM WEBB, a Senator from the Commonwealth of Virginia, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. WEBB thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following my remarks and those of the Republican leader, if he chooses to make some, there will be a period of morning business, with Senators permitted to speak therein for up to 10 minutes each. As previously announced, there will be no rollcall votes today. Senators should be prepared to vote tomorrow at about 2:15 p.m. or thereabouts on the motion to invoke cloture on the motion to proceed to H.R. 3221, the legislative vehicle for the housing bill.

HOUSING AND THE ECONOMY

Mr. REID. Mr. President, 76 years ago, Franklin Roosevelt, who was then the Governor of New York, was engaged in a fierce Presidential campaign. The country was reeling from the stock market crash of 1929. Consumer confidence in banks had plummeted. The Great Depression was in full force at that time, and the American people had lost confidence that President Herbert Hoover had what it took to lead the country out of economic darkness.

In April 1932, Governor Roosevelt, seeking the Democratic nomination for President, took to the radio waves and said this:

I do not want to limit myself to politics. I do not want to feel that I am addressing an audience of Democrats or that I speak merely as a Democrat myself. The present condition of our national affairs is too serious to be viewed through partisan eyes for partisan purposes.

He went on to say that troubled times call for us to:

put [our] faith once more in the forgotten man at the bottom of the economic pyramid. . . . The two billion dollar fund which President Hoover and Congress have put at the disposal of big banks, the railroads and the corporations is not for [the average person].

Here should be an objective of government itself—to provide at least as much assistance to the little fellow as it is now giving to the large banks and corporations. This is [an] example of building from the bottom up.

Mr. President, the more things change, the more they seem to stay the same. Recently, the Federal Reserve provided taxpayers' money to prevent the collapse of Bear Stearns. The Fed took the additional unprecedented step of opening its discount lending window to securities firms, even though—unlike banks—those firms aren't regulated by the Fed.

I understand the need to take some bold steps. I believe the Federal Reserve is doing what they think is best in the face of a deep and growing economic crisis. While on principle the spirit of capitalism would call for Wall Street firms to shoulder the burden of loss along with the spoils of profit, it is incumbent upon our Government to look for the greater good. But we must not neglect the lessons of history. If we agree that it is a responsibility of Government to provide liquidity and security to the titans of Wall Street—and we do—then how can we think it is any less our responsibility to do the same for Main Street?

The American people are suffering. We are paying more than ever for gasoline, groceries, and heat for our homes. Home values are falling—in January

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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alone, almost 13 percent. Millions face foreclosure, and communities are suffering because of the housing meltdown. This crisis is real, it is immediate, and it calls for Congress to take action. Every day that Congress and the President do nothing is another day closer to another American family losing their home. This is not the time for politics or partisanship. It is, as President Roosevelt said, time to give some "assistance to the little fellow"—those were his words—it is time to do the right thing, the responsible thing, for the American people—the little fellow.

Last work period, Democrats introduced a housing bill. The President and his Republican Senators filibustered and blocked this much needed legislation. This legislation is not a catch-all or a silver bullet, but financial experts agree it is a good start. If passed, it would have an immediate positive impact on struggling homeowners and hard-hit neighborhoods.

Mr. President, I have talked in length about this legislation to Chairman Bernanke. I have spoken to Secretary Paulson. I think they have done good work. But I think if they were asked point blank—and I am not going to, certainly, state here publicly any of the things they said to me, but someone can ask them themselves—I think they would say our legislation is a step in the right direction. If this law passed today, it would have an immediate positive impact on struggling homeowners and hard-hit neighborhoods.

These are the five points of our plan:

First, we help families keep their homes by increasing funds for preforeclosure counseling. It is imperative we do that.

Second, we expand refinancing opportunities for homeowners stuck in bad loans. Mortgage revenue bonds—the President said he liked that in his State of the Union Message.

Third, we provide funds to help the highest need communities purchase and rehabilitate foreclosed properties, as well as tax relief to struggling businesses affected by the housing downturn.

Fourth, we help families avoid foreclosure in the future by improving loan disclosures and transparency during the original loan and refinancing process.

Fifth, we amend the Bankruptcy Code to allow home loans on primary residences to be modified in certain circumstances, with very strict guidelines. We have a tax provision which is extremely important to the homebuilding industry: loss carryback. We have a program that allows the bankruptcy courts to step in on primary residences and, if necessary, help adjust those loans.

It is time we pass this bill.

Last work period, Republicans blocked a vote on this, as I have said before. One Republican Senator said that all Republicans wanted was the

opportunity to propose amendments. Mr. President, I have said on this floor, I have said privately, I have said at press conferences—the record will clearly show—Democrats are happy to allow amendments. Democrats want to offer amendments. Republicans want to offer amendments. We would like nothing more than an open debate on this bill and how we might be able to make it better. I have told my distinguished counterpart, Senator MCCONNELL, if Republicans object to parts of our bill, they are welcome to seek enough votes to amend it, to change it. That is how the legislative process is supposed to work.

It would be a fool's errand to put our proposal up and the Republican proposal up and move to invoke cloture on each one of those. It would take 60 votes. That is not what we need to do. It would be failure for sure.

Why don't we move forward on our bill? There will be a vote at 2:15 tomorrow. If my colleagues want to have a limited number of amendments, fine, let's have a limited number of amendments dealing with this problem. Experts say we are in a crisis and have to do something now.

I respect Secretary Paulson very much. I like Secretary Paulson. The proposals he made at 10 o'clock today are certainly worth considering, but they are not going to do one simple thing to help the people who are now in foreclosure—nothing. It is for the future. That deals with the future. We need to deal with the present. But so far my Republican friends have not allowed this bill to proceed to the point at which amendments can be offered. In short, they have stalled this necessary help to working Americans.

Tomorrow, we will have another opportunity to work on this piece of legislation. We cannot sit on our hands. We cannot take a wait-and-see approach. And we cannot embrace the status quo as the economy continues to deteriorate. Let's legislate. Let's work to help beleaguered Americans. Democrats have no agenda but to get this bill passed quickly and fairly so the American people can reap the benefits. If we are able to pass this legislation, it will be one where credit can go to everybody. This is something we need to do. We cannot do it alone. We have 51 Senators. They have 49. We have to do this together or it will not be done at all. In America's darkest economic hour, that was the leadership Franklin Roosevelt showed—and that is what we must do as we face our own crisis today.

IRAQ

Mr. REID. Mr. President, in this work period, we will, once again, because of the supplemental, turn to the raging civil war in Iraq.

To say that the Bush-Cheney spin machine lacks credibility is an understatement as it relates to the war in Iraq.

Last week, the President marked the beginning of the sixth year of this war by delivering more of the same disconnected rhetoric. But at the same time he was giving this talk of progress, the facts on the ground betrayed this happy-talk. As Republican Senator CHUCK HAGEL said, the President's words—compared with the real facts on the ground—are like "Alice in Wonderland." That is what Senator HAGEL said. The situation on the ground in Iraq is fluid and rapidly changing.

Mr. President, I was stunned this morning when I got up and listened to the radio. Sadr has said: OK, lay down your arms on a couple conditions—release all the prisoners, don't do any more arrests, and leave us alone.

Mr. President, within a couple of months after this war started, the commanders on the ground in Iraq came and told us that this man was a criminal and he would be in jail within a matter of a couple weeks. Now, whether that is true or not, that is up for others to decide, but that is what we were told. And here is this man now, 5 years later, who in effect is telling the elected leader of Iraq what to do and what not to do.

It is clear that the Iraqi civil war persists. Within the past few days, nearly 1,000 Iraqis have been killed in Basra alone. This war is a war of Shiite versus Shiite, al-Maliki versus al-Sadr, Iraqi versus Iraqi, Sunni versus Shia, Shia versus Sunni. Who is in the middle of all of this? The American troops.

The President's spokesperson said: This is it. We are now in a situation where the Iraqis are going to take care of their own. But, of course, the police, when confronted, turned over their arms to al-Sadr and walked away. They gave them their guns—I assume their badges—and walked away. The American troops were called in; air power and ground troops were called in. The Iraqis could not handle the situation.

As one Iraq teacher said in the New York Times this weekend, in the closing paragraphs of a very long article:

"Unfortunately we were expecting one thing but we saw something else," said Ali Hussam, 48, a teacher, who said that after Saddam Hussein the people of Basra hoped for peace. "But unfortunately with the presence of this new government and this democracy that was brought to us by the invader it made us kill each other."

"And the war is now between us," he said. But, unfortunately, with the presence of this new government and this democracy that was brought to us by the invader, it made us kill each other.

And the war is now between us.

That is what he said:

And the war is now between us.

When the Vice President of the United States goes to Iraq, it is secret. No one knows he is going there. It is not on his schedule. He is under very high security. When the President of Iran goes to Iraq, he announces 2 weeks in advance he is coming—not in the dead of the night, 2 weeks in advance.